

Cabinet Resolution No. (14) of 2025
Regarding the Rules for Outsourcing the Collection of Federal Entities’
Debts

The Cabinet,

- Having reviewed the Constitution;
- Federal Law No. (1) of 1072 Regarding the Competencies of Ministries and the Power of Ministers, as amended;
- Federal Decree-Law No (26) of 2019 Regarding Public Finance, as amended;
- Federal Law No. (11) of 2023 Regarding Procurement in the Federal Government; and
- Federal Decree-Law No. (15) of 2024 Regarding the Collection of Federal Entities’ Debts; and
- Based on the proposal submitted by the Minister of Finance and approved by the Cabinet,

Hereby resolves as follows:

Article (1)

Definitions

The same definitions used in the above-referenced Federal Decree-Law No. (15) of 2024 shall apply to this Resolution. In addition, the following terms and expressions shall bear the meanings assigned thereto respectively, unless the context indicates otherwise:

- Decree-Law** : The Federal Decree-Law No. (15) of 2024 Regarding the Collection of Federal Entities’ Debts.
- Outsourcing Party** : A company that enters into a contractual arrangement with the Creditor to perform debt collection operations in accordance with the provisions of this Resolution.
- Outsourcing** : A process through which the Creditor engages an Outsourcing party to perform debt collection duties, in whole or in part, and/or to trace the debtor’s assets, whether inside or outside the State, in

	accordance with the contract and the rules set forth in this Resolution.
Contract	: An agreement between the Creditor and the Outsourcing party for the performance of outsourcing activities.
Conflict of Interest	: The existence of any direct or indirect personal or financial relationship or interest between the Outsourcing party and the debtor in such a manner that might affect the Outsourcing party's independence, integrity, or ability to perform the outsourced tasks.
Guide to Outsourcing Governance Procedures	: The Guide to Outsourcing Governance Procedures at the Federal Government, as approved by a Cabinet Resolution.
Debt Collection Unit	: The Debt Collection Unit of the Creditor, as referenced in Article (8) of the Decree-Law.
Reference Number	: A unique, non-recurring code assigned to each collector, debtor, and debt. It is typically used to ensure the linkage between payments collected and the relevant debt; thus, facilitating payment tracking and verifying the compliance by all relevant parties involved.
Debt Collection Management Plan	: The plan defined in Article (7) of this Resolution.
E-Collection Platform	: An electronic debt collection platform established in accordance with Article (9) of this Resolution.
Operating Expenses	: Governmental or non-governmental fees required to be paid for the continuation of asset tracking and debt collection operations, including, but not limited to (inquiry fees, judicial fees, enforcement fees, real estate departments' fees, and financial institutions' fees). These expenses do not include any other operating expenses the Outsourcing party may incur in the course

of performing debt collection duties, such as travel, accommodation, or other personal expenses.

Outsourcing Register : An electronic register containing detailed information of all outsourcing operations, including outsourcing arrangements in connection with the debt collection and the tracking of debtor's assets both inside and outside the State.

Repayment Plan : The payment plan defined under the Cabinet Resolution issuing terms and conditions for approving the repayment of Federal Entities' debts in installments.

Article (2)

Outsourcing Objectives

This Resolution aims to:

1. Establish a structured regulatory framework that defines the standards and controls required to be complied with by the Creditor in respect of managing risks associated with debt outsourcing arrangements.
2. Set clear rules governing the outsourcing of Federal Entities' debt collection operations, thereby enhancing collection efficiency and ensuring the continuous flow of government revenue.
3. Enable the Creditors to take advantage of professional debt collection services that facilitate accurate tracking of debtors' assets and effective recovery of financial receivables, in compliance with the requirements of both the Decree-Law and this Resolution.

Article (3)

Outsourcing Debt Collection

1. A Creditor may engage an Outsourcing party to collect its debt, in whole or in part, in the following cases:
 - a. If the outsourcing of debt collection would be more efficient than the Creditor conducting the collection measures directly.

- b. Where the collection measures carried out by the Outsourcing party would be more cost-effective than those taken by the Creditor directly.
- 2. The Creditor may also assign to the Outsourcing party the task of tracking assets or related parties, whether inside or outside the State.

Article (4)

Outsourcing Party's Eligibility Requirements

- 1. No Outsourcing party shall be engaged unless it meets the following requirements:
 - a. The Outsourcing party must be duly licensed by the Competent Authority in the State to engage in debt collection and/or debtor's asset tracking activities.
 - b. The Outsourcing party must provide the Creditor with a proof of its commitment to confidentiality and adherence to standards for protecting the debtor's personal and financial data. Additionally, the Outsourcing party must warrant the absence of any conflict of interest.
- 2. Notwithstanding Clause (1.A) of this Article, the Creditor may engage a foreign company specializing in debt collection and debtor's asset tracking to pursue collection procedures or to track debtor's assets outside the State.

Article (5)

Subcontracting

- 1. The Outsourcing party may enter into a subcontract with a third party to fulfill any of its obligations set forth in the contract in either of the following cases:
 - a. Where the implementation of Debt Collection Management plan, or any part thereof, would require actions across multiple emirates within the State.
 - b. Where any part of the Debt Collection Management Plan is required to be executed outside the State.
- 2. The Outsourcing party shall remain fully liable vis-à-vis the Creditor for ensuring the subcontractor's compliance with the rules and requirements set forth in this Resolution.

Article (6)

Special Provisions on Engaging an Outsourcing Party

1. An Outsourcing party wishing to enter into a contract with a Creditor for debt collection shall submit a technical proposal demonstrating its ability and efficiency to effectively undertake the collection operations, and to track and verify the debtor's assets.
2. The technical proposal outline in Clause (1) of this Article shall contain the following documents and data:
 - a. A plan of action detailing the approach adopted to look for and inquire about the debtor's assets against which compulsory execution can be performed, and the proposed debt collection mechanisms.
 - b. A detailed explanation of the proposed mechanisms to track and assess the debtor's assets, with a commitment to submit regular reports to the Creditor on the progress achieved in terms of both collection and inquiry.
 - c. A plan to protect both the Creditor's data, the debtor's data and the tracking mechanism and ensuring compliance with the legislation governing the collection of information about the debtor's assets.
 - d. A detailed statement on the financial conditions and the proposed scope of work to undertake the collection process.
 - e. The Outsourcing party's ability to evaluate and manage the potential risks effectively, particularly regarding market fluctuations and legal challenges.
 - f. The Creditor may require any additional documents or data deemed necessary to ensure fulfillment of the objectives of engaging the Outsourcing party.

Article (7)

Debt Collection Management Plan

1. The Outsourcing party shall, after careful review of all available documents and information, set up, and submit to the Creditor, a plan to manage the steps and actions taken to collect the debt and track the debtor's assets.
2. The Creditor shall review and approve the Debt Collection Management Plan, and may amend the same during the implementation stages.

3. The Debt Collection Management Plan shall focus on the specific debt subject of the outsourcing, taking into account the following:
 - a. The debtor's financial position;
 - b. The debtor's assets that can be tracked and undergo compulsory execution;
 - c. Details of the financial and legal impediments facing the debt collection process, including the obstacles of tracking the debtor's assets or performing compulsory execution against them, if any.
 - d. The approach adopted by the Outsourcing party to conclude an agreement with the debtor for repayment of debt or performing compulsory execution against its assets.
4. The Outsourcing party shall, whenever necessary, update or amend the Debt Collection Management Plan, and notify the Creditor of the key updates and amendments thereto.
5. After the Debt Collection Management Plan is commenced, the Outsourcing party shall submit to the Creditor periodic reports on the progress of collection, debtor's assets tracking, the actions taken and the results achieved. The Creditor shall update the Outsourcing Register based on such reports.

Article (8)

Outsourcing Register

1. Each Creditor shall create a comprehensive and up-to-date register containing all the relevant information about the outsourcing arrangements. The Register shall include the following details:
 - a. All Outsourcing party's information, both inside and outside the State.
 - b. The type of arrangements agreed upon under the contract regarding the debt collections and/or debtor's assets tracking.
 - c. The total amount of outsourced debt.
 - d. The maturity period for each contract, with both the arrangement's due dates and time requirements.
 - e. The outsourcing fees and other charges and costs related to the arrangements of different debts.

- f. Guarantees or collaterals provided as part of the arrangement, whether they are government assets or financial guarantees (if any).
 - g. The disclosure policies used to ensure transparency across all the financial arrangements, along with the adopted governance policies to manage the associated risks.
 - h. The legislation impacting debt-related arrangements, both locally and internationally, while showing the extent of compliance therewith.
2. The Creditor shall analyze and assess the risks associated with each contract, including the financial and legal risks, as well as risks associated with exchange rates in case of international debts.
 3. The Creditor shall establish an effective mechanism to monitor the ongoing changes in outsourcing arrangements, and shall periodically update their Register accordingly to reflect the actual status of debts.

Article (9)

E-Collection Platform

1. The Ministry shall create a unified electronic platform to manage and monitor the Outsourcing Register, debt collection operations and repayment plans, with the aim of speeding up the sharing of information and documents among the Creditor, Outsourcing party and the Ministry, monitoring and recording all operations performed by the Outsourcing party to collect the debt and track the debtor's assets and all collection results, including the amounts collected.
2. The Creditor shall, when the collection of its debt is outsourced, assign a debt reference number and notify the Outsourcing party of same to ensure the proper linkage between the repayment and the relevant debt. In case of numerous debts owed by the same debtor to the same Creditor or to other Creditors, a sub-reference number shall be assigned to each debt on a case-by-case basis to ensure repayment thereof. Surpluses of debt collection operations may be allocated to repay any other debts owed by the same debtor to the same Creditor or any other Creditor, provided that the Creditor has initiated the collection procedures and obtained a reference number for its debt.

3. The Debt Collection Follow-up Unit shall grant the Debt Collection Units of the Creditors the authority to use E-Collection Platform, in order to enable them to list the debt outsourcing operations, track the collection operations, share the data and inquiries of the Creditor, Outsourcing party, and any Third Party associated with the collection operations, and to provide each party with the required information and documents to enhance the collection and tracking of debtor's assets.
4. The Creditor's Debt Collection Unit shall assign to the Outsourcing party a reference number on the e-collection platform.
5. Each Outsourcing party shall have an authority on the e-collection platform based on its own reference number, however, such an authority shall be limited to the debt outsourced thereto.

Article (10)

Operating Expenses

1. The Outsourcing party may not pay any costs for collection management and debtor's assets tracking on behalf of the Creditor without the latter's prior approval. Such approval may take place in the form of prior authorization granted thereby whether under the contract or under a separate deed of authorization.
2. The Outsourcing party shall record on the e-collection platform all the operating expenses paid thereby on behalf of the Creditor, and shall upload the supporting documents. In addition, the Outsourcing party shall also record all the expenses refundable from the debtor, together with the actions to be taken to recover such expenses on behalf of the Creditor.
3. No operating expenses shall be paid to the Outsourcing party unless approved by the Creditor.

Article (11)

Collection and Outsourcing Fees

1. The Outsourcing party shall directly credit the collected amounts to the bank account designated by the Creditor, while indicating the relevant reference number.
2. The Creditor shall credit the collected debt amounts to the unified treasury account owned by the Ministry of Finance.
3. The Outsourcing party's fees may, in whole or in part, be a lump-sum or a percentage of the debt collected for the Creditor, provided that such lump-sum or percentage shall not exceed (25%) of the debt collected and delivered to the Creditor. However, the Minister may approve other percentages based on a well-justified request by the Creditor.
4. Subject to the provisions of Article (62) of the Federal Decree- Law No. (26) of 2019 on Public Finance, as amended, the Outsourcing party's fees and operating expenses shall be paid from the debt amounts collected.
5. Where an error occurs in relation to the repayment or delivery of debt amounts collected, the Outsourcing party shall correct the error as soon as it is discovered or upon receiving a notice from the Creditor, while submitting a detailed report showing the reasons and actions taken to correct the error.
6. Subject to Clauses (3) and (4) of this Article, where the debtor repays the debt directly to the Creditor, or where the debt is extinguished for any reason immediately after the Outsourcing party has commenced the debt collection or tracking of debtor's assets, the Outsourcing party shall be entitled to half of the fees agreed upon under the contract. In which case, the fees shall be paid under the expenses item designated by the Creditor.
7. The Outsourcing party shall not keep any part of debts collected in its own accounts. All amounts collected shall be immediately transferred by the Outsourcing party to the Creditor's designated account.
8. Notwithstanding the provisions of Clause (7) of this Article, the Outsourcing party may create an intermediate account to transfer the funds to the Creditor's designated account, if such a procedure would be beneficial to the Creditor's interest, or in case the debt is collected outside the State, provided that the Creditor approves such a procedure. In all

cases, the duration of transferring the collected amounts to the Creditor's account shall not exceed (10) working days as from the collection date.

Article (12)

Final Provisions

1. Unless otherwise specifically stipulated in this Resolution, the provisions of legislation governing procurement in the Federal Government shall apply to outsourcing procedures. The Guide to Outsourcing Governance Procedures shall apply in line with the Federal Decree- Law and this Resolution.
2. The Creditor shall provide the Outsourcing party with the necessary information, data and documents to enable the same to fulfill its contractual obligations.
3. The Creditor shall provide the Outsourcing party with the necessary support and assistance during the contract performance period, including, among others, the issuance of any necessary certificates, requests or authorization deeds to help the Outsourcing party pursue any action to track the assets, collect the funds, or carry out enforcement before the competent executive and judicial authorities, or any other government or private entity inside or outside the State in coordination with relevant authorities.
4. Actions taken to track the debtor's assets and collect the debt shall come to a halt in case the Creditor approves the repayment plan submitted by the debtor, and shall be resumed if the debtor fails to comply with the agreed repayment plan.
5. The Creditor shall follow up on the periodic reports issued by the Outsourcing party.

Article (13)

The Executive Resolutions

Subject to the powers vested in the Creditors, the Minister shall issue the necessary resolutions to implement this Resolutions.

Article (14)

Publication and Entry into Force

This Resolution shall be published in the Official Gazette, and shall enter into force after (60) days from the date of its publication.

Mohammad bin Rashid Al Maktoum

Prime Minister

Issued by us:

On: Shaaban 11, 1446 A.H.

Corresponding to: February 10, 2025 AD